

Chapter Review

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The Marketing Mix: Product and Price

Objectives...

- 1 specify the key elements of the marketing mix
- 2 discuss what is meant by branding and explain how packaging and labelling can contribute to a brand's success
- 3 understand how the management of products and services changes over the different stages of the lifecycle and explain the process by which new products are developed and adopted by markets
- 4 understand how to price product and services

Key Terms

Marketing mix	the tactical 'toolkit' of the marketing programme; product, place/distribution, promotion, price and people variables that an organisation can control in order to appeal to the target market and facilitate satisfying exchange
Marketing plan	the written arrangements for specifying, implementing and controlling an organisation's marketing activities and marketing mixes
Price variable	The aspect of the marketing mix that relates to activities associated with establishing pricing policies and determining product prices
Product development	a strategy of increasing sales by improving present products or developing new products for current markets
Product life cycle	the four major stages through which products move: introduction, growth, maturity and decline

20. Products (including services) must be developed and launched in order to generate revenue for the organisation. They then pass through various stages as reflected in the product lifecycle. Organisations rarely rely on a single product and the process of managing groups of brands and product lines is called portfolio planning. We introduced the Boston matrix to help consider management of the portfolio. Products must compete with similar rival offerings and brands help customers to differentiate between offerings. Packaging and labelling can help contribute to the success of a product/ brand. Before a product is offered, the organisation must determine the offer price. This is important because price determines profitability and revenue generation. Price, costs, quality and value are interconnected. There are a variety of pricing policies and strategies and the marketing manager must consider many factors when setting price. Whilst competitor pricing must be considered, price wars can devastate companies and there are ways to avoid them.